



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
TENNESSEE REAL ESTATE COMMISSION
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TN 37243
615-741-2273
<http://www.tn.gov/commerce/section/real-estate-commission>

MINUTES

The Tennessee Real Estate Commission held a meeting June 14, 2017 at 9:00 a.m. CST in room 1A of the Davy Crockett Tower located at 500 James Robertson Parkway Nashville, TN 37243.

The Meeting was called to order by Chairman John Griess.

Chairman Griess welcomed everyone to the Board meeting.

Assistant General Counsel Sarah Mathews called roll. The following Commission Members were present: Chairman Griess, Vice Chairman Commissioner Austin McMullen, Commissioner Marcia Franks, Commissioner Diane Hill, Commissioner Fontaine Taylor, Commissioner Gary Blume, Commissioner Rick Douglass, Commissioner Johnny Horne, and Commissioner Bobby Wood. Others present: Assistant General Counsel Sarah Mathews, Education Director Ross White, Commission Staff Commission Staff Sherry Brame, Aaron Smith and Melissa Fox.

The June 14, 2017 board meeting agenda was submitted for approval and amended to include Senate Bill 1217, property management, and commission meeting attendance as a condition on penalty and bi-annual fees for retirees, all under commission discussions.

Motion made by Commissioner McMullen and seconded by Commissioner Hills to approve the June 14, 2017 agenda with changes. Motion carried unanimously.

Minutes for the May 11 & 12, 2017 board meeting were submitted for approval.

Commissioner Wood requested two changes to pages two and fifteen of the minutes to correct the name of who made the motion to approve the education report to Commissioner Franks and to correct the name of who made the motion to approve number thirty on the legal report to Commissioner Wood.

Motion made by Commissioner Franks and seconded by Commissioner Taylor to approve the May 11 & 12, 2017 minutes as amended. Motion carried unanimously.

EDUCATION REPORT- (Attachment A)

Motion made by Commissioner McMullen to approve courses J1-J25, motion seconded by Commissioner Wood. Motion carried unanimously.

Motion made by Commissioner Wood to defer consideration of course J26 to the July 12, 2017 commission meeting, motion seconded by Commissioner Hills. Motion carried unanimously.

Motion made by Commissioner Franks to approve instructors J1-J26, motion seconded by Commissioner Taylor. Motion carried unanimously.

Motion made by Commissioner McMullen to defer discussion on the PSI Handbook to the July 12, 2017 commission meeting, motion seconded by Commissioner Hills. Motion carried unanimously.

EXECUTIVE DIRECTORS REPORT-

Review of Financial and Statistical Reports (Attachment B)

Commission discussed looking into allowing licensees to print their own license instead of the TREC staff sending them to each license.

INFORMAL APPEARANCE-

Jack Edwin Kirkham appeared before the commission along with his Principal Broker Kimberly Shatley. Mr. Kirkham was requesting permission to apply for licensure.

Request for licensure was approved. Motion made by Commissioner Blume and seconded by Commissioner Hills. Motion carried unanimously.

INFORMAL APPEARANCE-

Jeremy Smotherman appeared before the commission along with Principal Broker Randall Scott Boles. Mr. Smotherman was requesting permission to sit for the real estate exam and apply for licensure.

Request for licensure was approved. Motion made by Commissioner Taylor and seconded by Commissioner Franks. Motion carried 7-2 with Commissioners Wood and McMullen voting against.

INFORMAL APPEARANCE-

John Worling appeared before the commission along with Principal Broker Aaron Moore. Mr. Worling was requesting permission to apply for licensure.

Request for licensure was approved. Motion made by Commissioner McMullen and seconded by Commissioner Franks. Motion carried unanimously.

COMMISSION DISCUSSIONS-

Senate Bill 1217

This bill authorizes the Commissioner of administrative departments under which regulatory boards operate to review and either approve or veto rules that may constitute unreasonable restraints of trade. Prior to this bill, all of our draft rules were routed internally for review prior to being submitted to the Attorney General's office for review, so I do not think this will effect as much as it appears to.

Rule Updates

Informal applicant rule, stating that we only look back 10 years, went into effect on June 08, 2017.

Advertising rule changes will be effective as of June 22, 2017.

Firm reinstatement rules have been sent to the Attorney General's office for review.

Broker120/62-13-303(h)

It was discussed that the Tennessee Real Estate Commission adopt the following official interpretation of T.C.A. § 62-13-303(h): (1) If a licensee with a broker's license has not completed the 120 hours of continuing education within three years from the date of issuance of the original broker's license, the individual may downgrade to an affiliate broker's license, and the affiliate broker's license may be reissued, provided the licensee has completed all other requirements including the completion of 16 hours of continuing education as required by T.C.A.

§ 62-13-303(g); (2) A licensee who has downgraded to an affiliate broker's license in the situation described in "(1)" above, could not then retest or reapply for a broker's license, if the licensee has not completed the required 120 hours of continuing education within the three years from date of issuance of the original license as required under T.C.A. § 62-13-303(h); (3) If, before the completion of three years from the date of issuance of the original broker's license, a licensee with a broker's license retires the license or the license expires, the three year time period within which to complete 120 hours of continuing education continues to run from the date of issuance of the original broker's license.

Motion made by Commissioner McMullen and seconded by Commissioner Franks. Motion carried unanimously.

Non-Resident CE update

The Commission discussed non-resident continuing education and it was determined that, the Commission would grant a waiver of continuing education for non-resident licensee's whose license expires prior to September 1, 2017. Beginning September 01, 2017, the Commission will require all non-resident licensees to complete the required sixteen hours of Commission approved continuing education, which must include a six hour TREC CORE course, each two year renewal cycle.

Motion made by Commissioner McMullen and seconded by Commissioner Hills. Motion carried unanimously.

Clemmons – Military Rule

The Commission reviewed and discussed the draft military health related exception rule. It was the determination of the Commission to not move forward with these rule changes.

Motion made by Commissioner Blume and seconded by Commissioner Hills. Motion carried unanimously.

Procedure to find a new executive director

Commissioner McMullen requested that this item be added to the agenda, the Commission voted unanimously to amend the agenda.

It was discussed that the Commission use the same procedure they previously used to hire an Executive Director and that Commissioner Griess and Assistant Commissioner Carter Lawrence lead the hiring process for a new Executive Director and to field the interviews and report back to the Commission. Both Commissioner Griess and Assistant Commissioner Carter Lawrence accepted.

Motion made by Commissioner McMullen and seconded by Commissioner Hills. Motion carried unanimously.

Agreed Citations

The Commission approved legal to move forward with using agreed citations for basic advertising violations, as presented to the Commission, but chose not to move forward with agreed citations for unlicensed activity at this time.

2018 Legislative Proposals

The Commission requested that legal prepare a legislative proposal that would require timeshare registrants to respond to a complaint within 10 days.

Discussions on adding the requirement of meeting attendance for civil penalty, Property Management and Bi-annual fee for retired licensees were all deferred to the July 12, 2017 Commission meeting.

LEGAL REPORT

Consent Agenda

The following cases were presented to the Commission via a Consent Agenda. All cases were reviewed by legal, legal has recommended dismissal. The Commission voted to accept the recommendation of legal counsel. Motion to approve the consent agenda items 1-15 made by Commissioner McMullen and seconded by Commissioner Horne. Motion passed unanimously. Motion to approve the consent agenda items 16-42 made by Commissioner McMullen and seconded by Commissioner Horne. Motion passed unanimously. Case 2017003081 was moved from the Consent Agenda to the Legal report for the Commission to further review and discuss. Motion made by Commissioner McMullen and seconded by Commissioner Franks; motion passed unanimously.

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|-----------------------|-----------------------|-----------------------|
| 1. 2016074881 | 15. 2016075991 | 29. 2017001171 |
| 2. 2016075771 | 16. 2016074941 | 30. 2017001481 |
| 3. 2016075971 | 17. 2016074961 | 31. 2017001511 |
| 4. 2017000191 | 18. 2016075661 | 32. 2017001191 |
| 5. 2017000271 | 19. 2016075691 | 33. 2017002671 |
| 6. 2017002311 | 20. 2016075251 | 34. 2017002691 |
| 7. 2017002331 | 21. 2016075531 | 35. 2017003661 |
| 8. 2017004041 | 22. 2016076081 | 36. 2017003851 |
| 9. 2017004241 | 23. 2016076101 | 37. 2017003861 |
| 10. 2017004341 | 24. 2016076031 | 38. 2017003901 |
| 11. 2017002101 | 25. 2016076381 | 39. 2017004081 |
| 12. 2017003001 | 26. 2017000231 | 40. 2017004101 |
| 13. 2017000401 | 27. 2017000291 | 41. 2017004831 |
| 14. 2016075951 | 28. 2017001151 | 42. 2017004881 |

Legal Report

Erica Smith

- 1. 2016071541 – REPRESENT**
Opened: 12/2/16
Type of License: Unlicensed
History: None

New Recommendation: Letter of Warning regarding unlicensed activity and licensing requirements

Decision: The Commission voted to defer the complaint until the next scheduled meeting giving legal counsel additional time to research the information provided.

Motion by Commissioner Wood and seconded by Commissioner McMullen. Motion passes unanimously.

- 2. 2016063601 – REPRESENT**
Opened: 10/19/16
First Licensed: 5/14/08
Expiration: 5/13/16
Type of License: Real Estate Firm
History: None

New Recommendation: Discuss

Decision: The Commission voted to deny the request of the Respondent.

Motion by Commissioner Franks and seconded by Commissioner Blume. Motion passes unanimously.

- 3. 2016069611-REPRESENT**
Opened: 11/18/16
Type of License: Unlicensed
History: None

New Recommendation: Dismiss.

Decision: The Commission voted to accept the recommendation of legal counsel.

Motion by Commissioner McMullen and seconded by Commissioner Wood. Motion passes unanimously.

- 4. 2016075891**
Opened: 12/23/16
First Licensed: 9/11/06
Expiration: 9/10/18
Type of License: Real Estate Firm
History: None

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel.

Motion by Commissioner Wood and seconded by Commissioner Hills. Motion passes 8-1 with Commissioner Blume voting against.

- 5. 2017000601**
Opened: 1/6/17
First Licensed: 10/30/97
Expiration: 9/16/18
Type of License: Principal Broker
History: 2010 E & O Citation \$250 Civil Penalty

Recommendation: Civil Penalty for \$1,000 for failure to respond in violation of TCA § 62-13-312(b)(14), regarding TCA. § 62-13-313(a)(2).

Decision: The Commission voted to accept the recommendation of legal counsel.

Motion by Commissioner Franks and seconded by Commissioner Taylor. Motion passes unanimously.

6. **2017001321**
 Opened: 1/10/17
 First Licensed: 7/9/99
 Expiration: 8/4/17
 Type of License: Affiliate Broker
 History: None

Recommendation: Discuss.

Decision: The Commission voted to authorize a civil penalty for \$500.00 for violation of TCA § 62-13-403(1) (reasonable skill and care), and four hours of continuing education in contract writing above and beyond the hours required to be completed within 180 days of the Consent Order being entered.

Motion by Commissioner Franks and seconded by Commissioner Wood. Motion passes 5-4 with Commissioners Horne, Douglass, Blume and Griess voting against.

7. **2017001341**
 Opened: 1/10/17
 First Licensed: 10/19/01
 Expiration: 4/13/19
 Type of License: Principal Broker
 History: 2014 Consent Order \$500 Civil Penalty & TREC Attendance-Earnest Money Dispute

Recommendation: Dismiss.

Decision: The Commission voted to accept the recommendation of legal counsel.

Motion by Commissioner McMullen and seconded by Commissioner Franks. Motion passes 8-1 with Commissioner Wood voting against.

8. **2017001261**

Opened: 1/10/17
First Licensed: 8/21/95
Expiration: 9/30/18
Type of License: Principal Broker
History: None

Recommendation: \$1,000 Civil Penalty for failure to respond.

Decision: The Commission voted to authorize a \$1000 civil penalty for failure to respond in violation of TCA § 62-13-312(b)(14), regarding T.C.A. §62-13-313(a)(2) and a \$1000 civil penalty for failure to provide the written contract in violation of TCA § 62-13-312(b)(8).

Original Motion to accept counsel's recommendation made by Commissioner Wood and seconded by Commissioner Franks. Motion passes 8-1 with Commissioner Horne voting against. Motion to include additional penalty made by Commissioner Wood and seconded by Commissioner Franks. Motion passes 6-3 with Commissioners Griess, Douglass and Horne voting against.

9. 2017001741
Opened: 1/11/17
First Licensed: 3/12/08
Expiration: 3/11/18
Type of License: Affiliate Broker
History: None

Recommendation: \$1,000 Civil Penalty for failure to respond.

Decision: The Commission voted to postpone the decision until the next scheduled meeting.

Motion by Commissioner Franks and seconded by Commissioner Wood. Motion passes unanimously.

10. 2017001751
Opened: 1/11/17
First Licensed: 11/7/07
Expiration: 11/6/17
Type of License: Principal Broker
History: None

Recommendation: Discuss.

Decision: The Commission voted to postpone the decision until the next scheduled meeting.

Motion by Commissioner Blume and seconded by Commissioner Franks. Motion passes unanimously.

11. 2017003401
Opened: 1/19/17
Type of License: Unlicensed
History: None

Recommendation: Consent Order for civil penalty in the amount of \$1,000 for unlicensed activity.

Decision: The Commission voted to accept the recommendation of legal counsel.

Motion by Commissioner Franks and seconded by Commissioner Taylor. Motion passes unanimously.

12. 2017003761
Opened: 1/20/17
First Licensed: 4/5/07
Expiration: 4/4/19
Type of License: Real Estate Broker
History: None

Recommendation: Discuss and counsel recommends appropriate civil penalties.

Decision: The Commission voted to authorize a \$1000 civil penalty for violation of TCA § 62-13-312(b)(20)(improper, fraudulent, dishonest dealings), a \$1000 civil penalty for violation of TCA § 62-13-403(3) and a \$1000 civil penalty for violation of TCA §62-13-403 (4) (confidentiality)(honesty and good faith).

Motion by Commissioner Griess and seconded by Commissioner Franks. Motion passes unanimously.

13. 2017003931
Opened: 1/20/17
First Licensed: 8/28/07
Expiration: 7/2/18
Type of License: Principal Broker
History: None

Recommendation: Counsel recommends the same civil penalties that are assessed against the Affiliate Broker in the complaint 2017003761 above.

Decision: The Commission voted to authorize a civil penalty in the amount of \$1000 for violation of TCA § 62-13-312(b)(15) (failure to supervise).

Motion by Commissioner Franks and seconded by Commissioner Horne. Motion passes unanimously.

14. 2017004141
Opened: 1/23/17
First Licensed: 8/30/12
Expiration: 8/29/18
Type of License: Affiliate Broker
History: None

Recommendation: Consent Order assessing a Civil Penalty in the amount of \$1000 for unlicensed activity.

Decision: The Commission voted to accept the recommendation of legal counsel and requires Respondent to attend a scheduled TREC full meeting within 180 days of executing the Consent Order.

Motion by Commissioner Franks and seconded by Commissioner Taylor. Motion passes 7-2 with Commissioners Douglass and McMullen voting against.

15. 2017004161
Opened: 1/23/17
First Licensed: 7/21/89
Expiration: 1/20/19

Type of License: Principal Broker
History: None

Recommendation: Consent Order assessing a Civil Penalty in the amount of \$1000 for failure to supervise.

Decision: The Commission voted to accept the recommendation of legal counsel.

Motion by Commissioner Franks and seconded by Commissioner Hills. Motion passes 8-1 with Commissioner Douglass voting against.

16. 2017000101
Opened: 1/4/17
First Licensed: 5/14/04
Expiration: 8/20/17
Type of License: Vacation Lodging Service Firm
History: None

Recommendation: Civil Penalty for \$1,000 for failure to respond.

Decision: The Commission voted to accept the recommendation of legal counsel.

Motion by Commissioner Franks and seconded by Commissioner Wood. Motion passes unanimously.

Robyn Ryan

17. 2017002551
Opened: 1/17/17
First Licensed: 1/6/84
Expiration: 12/28/18
Type of License: Real Estate Broker
History: None

Recommendation: \$500 civil penalty for practicing without a license.

Decision: The Commission voted to accept the recommendation of legal counsel.

Motion by Commissioner Douglass and seconded by Commissioner Horne. Motion passes unanimously.

- 18. 2017002611**
Opened: 1/17/17
First Licensed: 7/30/96
Expiration: 8/1/17
Type of License: Principal Broker
History: None

Recommendation: \$500.00 civil penalty for failure to supervise.

Decision: The Commission voted to accept the recommendation of legal counsel.

Motion by Commissioner Hills and seconded by Commissioner Taylor. Motion passes unanimously.

- 19. 2017002921**
Opened: 1/17/17
First Licensed: 9/28/16
Expiration: 9/27/18
Type of License: Affiliate Broker
History: None

Recommendation: \$500.00 civil penalty for violation of 1260-.02-.12(3)(d), failure to obtain written permission from the seller.

Decision: The Commission voted to authorize a \$1000.00 civil penalty for violation of 1260-.02-.12(3)(d), failure to obtain written permission from the seller.

Motion by Commissioner Blume and seconded by Commissioner Franks. Motion passes 8-1 with Commissioner Horne voting against.

- 20. 2017002941**
Opened: 1/18/17
First Licensed: 7/31/87
Expiration: 2/26/19
Type of License: Principal Broker
History: 2016 Consent Order \$1,000 Civil Penalty-Failing within a reasonable tie to account for or remit any moneys

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel.

Motion by Commissioner Franks and seconded by Commissioner Taylor. Motion passes 7-2 with Commissioners Blume and Griess voting against.

- 21. 2016075621 – REPRESENT**
Opened: 12/20/16
Type of License: Unlicensed
History: None

New Recommendation: Nothing shows that Respondent is acting as a licensee as it appears that it owns properties it leases or sells, therefore, recommendation is to dismiss.

New Decision: The Commission voted to accept the recommendation of legal counsel.

Motion by Commissioner Blume and seconded by Commissioner Taylor. Motion passes 7-2 with Commissioners Franks and Horne voting against.

- 22. 2017003081**
Opened: 1/13/17
First Licensed: 10/28/10
Expiration: 10/27/18
Type of License: Real Estate Firm
History: None

Recommendation: \$1,000.00 civil penalty for failing to respond pursuant to TCA 62-13-313.

Decision: The Commission voted to accept the recommendation of legal counsel.

Motion by Commissioner McMullen and seconded by Commissioner Franks. Motion passes unanimously.

Meeting adjourned by Chairman Griess at 4:15 p.m.

Attachment A

TENNESSEE REAL ESTATE COMMISSION

Education Agenda **June 14, 2017**

CR = Classroom
Webinar=W

I = Internet
PP = Paper & Pencil

Courses Presented for Commission Evaluation

Sponsor/Address/ Contact	Title/Statutory &/or Rule Addressed	Comment	Instructor(s)	Hours
Bob Sorey #1564 Bob Sorey	Septic Records: Why & How to Request Them(CR) Rule 1260-05-.03(5)(a) J1	To educate agents on how to pull, read and understand septic records pulled from TDEC, regarding important information to be used in the real estate sales transaction.	Bob Sorey PREVIOUSLY APPROVED	1
Greater Nashville REALTORS #1096 Donna Wood	5 Strategies All Listing Experts Must Know(CR) Rule 1260-05.03(5)(a)(17) J2	In this course students will learn the philosophies and specific tactics necessary to build a strong relationship with their clients by becoming more confident in ways of marketing their clients homes online.	Garry Wise NEED APPROVAL	2
	Why the Real Estate Industry is Under Cyber Attack from Transnational Criminal Enterprises(CR) Rule 1260-05-.03(5)(a)(17) J3	This course is to educate the licensed agent on ways of staying vigilant in protecting the consumer/client when communicating and creating business transactions through the internet.	Scott E. Augenbaum NEED APPROVAL	1
Knoxville Area Association of REALTORS #1092 Carleen Palmer	Tenant Representation(CR) Rule 1260-05-.03 J4	The goal of a tenant representative is to get the best deal possible for the client. This course addresses tactics and strategies for developing relationships with clients by earning their trust, then by serving those clients and representing them ethically and responsibly through time management and application of processes and techniques covered in this class.	Ed Riggins PREVIOUSLY APPROVED	3

KARR continued...	Landlord Representation(CR) Rule 1260-05-.03 J5	It is the landlord representative's job to maximize the value of the asset. Attendees will learn and discuss the basics of landlord representation, and will benefit from those discussions, which include lessons learned from those who have been successful in this professional role.	Ed Riggins PREVIOUSLY APPROVED	3
	RE Investing: Build Wealth Representing Investors and Become one Yourself(CR) Rule 1260-05-.03 J6	In this NAR designation class, attendees learn how to adapt core real estate skills and learn new skills to serve clients who want to invest in single family homes, condos, townhomes, and small multifamily properties.	Marc Cunningham NEED APPROVAL	8
	Success Is Not an Accident(CR) Rule 1260-05-.03 J7	This class explores the 10 most critical areas of business success and defines how attendees can begin implementing techniques and systems immediately. They will learn how to set clear expectations, how to measure them, and how to become an effective leader, how to create systems manuals to standardize and protect their business, and insights into the future of the property management industry.		3
	Property Management 101: The Essentials(CR) Rule 1260-05-.03 J8	To educate current Property Managers, and real estate agents who are considering property management, the essential elements of residential property management.		3
Memphis Area Association of REALTORS #1094 O'Hara Keszler	Data Security & Legal Risk Management & Tech Safety for Consumers & REALTORS(CR) Rule 1260-05-.03(1)(5)(a) J9	This course is intended to help today's REALTOR steer themselves and their clients' through the perilous legal, online and social media world, plus personal and computer safety tips to keep the consumer information stored on their computer devices and in the cloud safe.	Graig Grant PREVIOUSLY APPROVEED	3
	How To Be Truly Paperless & Mobile in Real Estate(CR) Rule 1260-05-.03(1)(5)(a) J10	To teach REALTORS how to properly communicate, service and meet the ever changing needs to today's consumer using Google and other Cloud based tools and apps. This course guides the REALTOR through the Google eco-system and many other great cloud based tools and apps.		3

Memphis Real Estate School #1350 Felicia Roddy	Working As an Agent(CR) Rule 1260-05-.03(1)(2)(5)(a) J11	The responsibility of a licensee shall be outlined from the working with a broker stage to completing the transaction. The licensee shall identify the activities which promote versus prospecting to produce income. The licensee will list, chart and create plans to set goals for promoting themselves and properties.	Felicia Roddy PREVIOUSLY APPROVED	12
Middle Tennessee Association of REALTORS #1141 Candy Joyce	Building Your Reputation & Good Name(CR) Rule 1260-05-.03(5) J12	To help licensees identify pitfalls in communications that damage consumer confidence in licensees.	Bill Marquette NEED APPROVAL	4
	How To Fire Your Client(CR) Rule 1260-05-.03(5) J13	Advancing buyer agency with pre-qualifying customers before signing as clients. Proper planning for soliciting buyers that will proceed to closing, and identifying client issues that create liability in a transaction.		4
National Auctioneers Association #1247 Aaron Ensminger	Accredited Auctioneer, Real Estate(CR) Rule 1260-05-.03(5) J14	To instruct on conducting real estate auctions, including prospecting, finance, marketing, proposals, sales, legal aspects of real estate, working with traditional brokers and banks and closing after the auction.	Mike Brandly NEED APPROVAL	24
Pillar To Post #1601 Jerry Black	Indoor Air Quality(CR) Rule 1260-05-.03(5)(a) J15	To help Realtors understand how indoor air quality can affect your health & who can be most affected.	Jerry Black PREVIOUSLY APPROVED	2
	Spotlight On Decks(CR) Rule 1260-05-.03(5)(a) J16	To teach Realtors the components and recognition of a good, safe deck construction.		2
	Identifying & Understanding Structural Problems(CR) Rule 1260-05-.03(5)(a) J17	To help educate Realtors and Brokers to properly understand structural concerns and issues.		2

Pillar To Post continued...	Radon(CR) Rule 1260-05-.03(5)(a) J18	To teach Realtors about radon gas in the home.	Jerry Black PREVIOUSLY APPROVED	2
	Older Homes(CR) Rule 1260-05-.03(5)(a) J19	To educate Realtors on the character issues, systems & complications of older homes.		2
	Home Maintenance(CR) Rule 1260-05-.03(5)(a) J20	Educate Realtors on the importance, timing & average cost of home maintenance.		2
Tennessee Real Estate Educational Systems, Inc. #1032 Lecia Foster	2017-2018 TREC CORE(I) Rule 1260-05-.03; .15; .12; TCA 62-13-303; 325 J21	To instill more professionalism in real estate licensees, and better prepare the licensee on how to transact business, to be more professional and informed about disclosures, contracts, PB supervision, agency, ethics, fair housing and marketing.	Vicki Boyd NEED APPROVAL	6
	Investment Property Practice and Management(I) Rule 1260-05-.03 J22	To achieve the owner's objectives, generate income for the owners preserve and/or enhance the value of the property.		12
The CE Shop, Inc. #1456 Rebecca Piltingsrud	Marketing, Advertising and Social Media Compliance(I) Rule 1260-05-.03;.06 J23	This course looks at how you can use the unique advertising and marketing opportunities now available through social media to better serve your clients and customers, and further promote your own brand.	Michael McAllister PREVIOUSLY APPROVED	4
	Code of Ethics in Action: Real- Life Applications(I) Rule 1260-05-.03(5) J24	Gain insight into recent changes, and discover important takeaway points you can apply to your day-to-day business dealings to ensure you're always ethical in your business practices.		3

The CE Shop continued...	Working with Real Estate Investors: Understanding Investor Strategies(I) Rule 1260-05-.03 J25	Working with Real Estate Investors will examine key investment strategies and look at how those strategies shape short and long term investment objectives. The 3course will also review distinct liabilities and rewards you may encounter when working with investor clients.		3
	Marijuana in Real Estate(I) Rule 1260-05-.03 J26	This course reviews some of the key legislation related to marijuana, where the legal controversies exist, case studies, and the potential implications for real estate-including what's at stake for the licensees.		3

Courses Requiring Discussion

Sponsor/Address/ Contact	Title	Comment	Instructor(s)	Hours

JUNE INSTRUCTOR BACKGROUND BRIEFINGS

Vickie Boyd-- Ms. Boyd is a Certified Distance Education Instructor, and has held the designation since 2010. She is now a CDEI holder for Tennessee Real Estate Educational Systems, Inc. as an instructor of internet education courses.

Mike Brandly—Mr. Brandly has been in the auctioneer business since 1979, and founded his company then, Brandly and Associates in Ohio. He is a recognized Real Estate Auctioneer, having been educated at Franklin University and Hondros College for Real Estate. He is a life member of the National Auctioneers Association and the Real Estate Educators Association, REEA.

Bill Marquette—Mr. Marquette is a REALTOR member of the Middle Tennessee Association of REALTORS. He holds an MA from Trevecca Nazarene University in 2012. And is currently an Adjunct Professor at MTSU.

Marc Cunningham—Mr. Cunningham is President and Director of Operations of Grace Property Management & Real Estate in Thornton, CO. He was the continuing education real estate instructor for the State of Colorado. He holds his BS in Business Admin. with a concentration in Real Estate and Finance. He is a NAR and NARPM member. He is a recognized Real Estate Property Management speaker.

Scott E. Augenbaum---Mr. Augenbaum, is the FBI Special Agent in charge of cybercrime for Tennessee. His has a vast knowledge of cybercrime and its workings and how to best defend against it. He has worked with all city, county, and state officials along with private business representatives and banking executives throughout the state.

Garry Wise---Mr. Wise, of Good Life Luxury and Realty grew up in the real estate industry and now has over 2 decades of luxury sales experience. He is an award winning leader in sales and development, and cracked the code on running his real estate business entirely paperless using a mobile device and has been featured as a business case study by Apple. As lead trainer and speaker of the Paperless Agent, Garry now works to bridge the understanding of technology and sales in real estate.

Attachment B

Executive Director's Report

June 2017

Tennessee Real Estate Commission

Education –

Instructor/Provider List Serv – the Listserv has been installed for future communication with course providers on updates at TREC on education. The first listserv communication will be the course providers on the new feature on the website of publishing the pass/fail ratios.

Instructor Certification Course – Staff is currently interviewing course developers for a Certification for of instructors with a combination of live and online.

Education Committee- Staff is recommending a review group from the Commissioners to review content and learning objectives of course submissions prior to the final approval by the commission.

Outreaches –

TREC has established topics and a schedule of 8 outreaches with TREC Executive Director and Attorney, Sarah Mathews.

2017 Outreach Locations and Tentative Dates			
Association	Location	Tentative Date	Tentative Time
MAAR	Memphis, TN	May 10, 2017	2:30 PM
NETAR	Kingsport, TN	June 21, 2017	2:00 PM
KAAR	Knoxville, TN	June 22, 2017	10:00 AM
MTAR	Murfreesboro, TN	August 11, 2017	9:00 AM
WCAR	Brentwood, TN	August 14, 2017	9:00 AM
CWTAR	Jackson, TN	August 15,2017	9:30 AM
RCAR	Springfield, TN	August 18, 2017	9:00 AM
GNAR	Nashville, TN	August 23, 2017	9:00 AM
GCAR	Chattanooga, TN	October 4, 2017	1:00 PM

IT Update-

Staff is continuing to work with IT on the ListServ challenges, tracking the broker post 120 hours, and flagging the suspended agents and identifying the Principal Broker.

ARELLO-

The ARELLO District 2 & 3 Meeting will be held in Charleston, WV June 8–10. Sarah Mathews and Marcia Franks will be in attendance.

Human Resources/Staffing –

The staffing grid for the TREC Staff is as follows:

Malcom Young	Executive Director
Ross White	Education Director
Melissa Fox	Office Manager and Processing Coordinator
Rachel Fowler	Licensee Education, Visitor Liaison
Sherry Brame	Administrative Assistant, Special Projects, Processing, Payments, Rosters, Schools
Ahmad Lewis	Auditor
Aaron Smith	Customer Service and Errors and Omissions
Liza Bennich	Customer Service, Processing, Mail, Visitor Liaison
Cherita Okoro	Customer Service, Processing, Coding
Rhonda Brown	Customer Service, Processing

April Statistical Report –

Profession	Count
Acquisition Representative Registration	2330
Real Estate Firm	3931
Acquisition Agent Registration	42
Affiliate Broker	26328
Acquisition Agent License	144
Designated Agent for Vacation Lodging Services	98
Time Share Sale	959
Time Share Exempt	135
Vacation Lodging Service	107
RE Broker	7501
Time Share Registration	30

License Type	Status	LIC_COUNT
Individual	Active	31248
Individual	Broker Release	2
Individual	Inactive	1
Individual	Retired	6111
Individual	Suspended	883
Individual	Vol Surrendered	3516
Firm	Active	4168
Firm	Retired	77

April 2017

EXAMS TAKEN BY LICENSE TYPE

Test	Tested	Pass	Fail	% Passed	% Failed
TN- Acquisition Agent	5	4	1	80.00%	20.00%
TN Affiliate Broker-National	635	358	277	56.37%	43.63%
TN Affiliate Broker- State	588	418	170	71.09%	28.91%
TN Broker-National	47	27	20	57.45%	42.55%
TN Broker-State	58	46	12	79.31%	20.69%
TN- Timeshare Salesperson	78	47	31	60.26%	39.74%

2017 March

TREC

SURPLUS/DEFICIT

FISCAL YEAR BEGINS: JUL 2016

	JUL-16	AUG-16	SEP-16	OCT-16	NOV-16	DEC-16	JAN-17	FEB-17	MAR-17	APR-17	MAY-17	JUN-17	YEARLY
TREC Revenues													
Licensing Revenue	\$ 173,605	\$ 189,115	\$ 188,832	\$ 196,997	\$ 217,016	\$ 227,538	\$ 229,986	\$ 207,150	\$ 251,540	\$ 196,193			\$ 2,077,969
Case Revenue	\$ 5,867	\$ 16,717	\$ 4,467	\$ 3,867	\$ 8,617	\$ 16,717	\$ 19,167	\$ 10,887	\$ 7,568	\$ 8,676			\$ 102,547
State Reg Fee	\$ (17,170)	\$ (18,640)	\$ (19,800)	\$ (18,310)	\$ (19,490)	\$ (20,300)	\$ (22,900)	\$ (19,130)	\$ (24,750)	\$ (20,890)			\$ (201,380)
TOTAL REVENUE	\$ 162,301	\$ 187,191	\$ 173,498	\$ 182,554	\$ 206,142	\$ 223,954	\$ 226,253	\$ 198,906	\$ 234,358	\$ 183,979	\$ -	\$ -	\$ 1,979,136
TREC Expenses													
Edison Expenditures	\$ 69,695	\$ 79,207	\$ 77,794	\$ 78,777	\$ 70,932	\$ 62,086	\$ 53,398	\$ 81,067	\$ 63,849	\$ 64,551			\$ 701,355
Admin Costbacks	\$ 35,898	\$ 47,671	\$ 40,717	\$ 44,662	\$ 36,066	\$ 40,916	\$ 29,294	\$ 33,767	\$ 30,888	\$ 86,642			\$ 426,521
Legal Costbacks	\$ 26,569	\$ 48,261	\$ 44,961	\$ 31,787	\$ 57,650	\$ 40,485	\$ 41,253	\$ 45,892	\$ 50,426	\$ 33,411			\$ 420,695
Investigations	\$ -	\$ 2,622	\$ 582	\$ 1,851	\$ 4,987	\$ 3,290	\$ 2,609	\$ 1,133	\$ 1,508	\$ 2,536			\$ 21,119
Field Enforcement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Customer Service Center	\$ 10,830	\$ 9,887	\$ 9,611	\$ 12,559	\$ 10,278	\$ 10,985	\$ 13,136	\$ 13,180	\$ 11,825	\$ 14,587			\$ 116,879
TOTAL EXPENDITURES	\$ 142,992	\$ 187,648	\$ 173,665	\$ 169,636	\$ 179,914	\$ 157,762	\$ 139,689	\$ 175,039	\$ 158,497	\$ 201,728	\$ -	\$ -	\$ 1,686,569
Net Surplus/Deficit	\$ 19,309	\$ (457)	\$ (167)	\$ 12,917	\$ 26,228	\$ 66,193	\$ 86,564	\$ 23,867	\$ 75,861	\$ (17,749)	\$ -	\$ -	\$ 292,566

Historical Trend

Licensing & Case Revenue

FY 2016	\$ 250,958	\$ 202,639	\$ 151,324	\$ 179,479	\$ 144,717	\$ 168,954	\$ 186,351	\$ 199,162	\$ 248,430	\$ 196,883			\$ 1,928,894
FY 2015	\$ 236,972	\$ 196,705	\$ 222,418	\$ 183,400	\$ 177,085	\$ 213,228	\$ 237,719	\$ 174,043	\$ 234,782	\$ 197,692			\$ 2,074,043

Expenditures

FY 2016													\$ 1,715,988
FY 2015													\$ 1,634,098

Notes:

Opened and Closed Complaint Cases-

Month	Opened Cases	Closed Cases
12/1/2016 – 12/31/2016	65	87 *14 with sanctions
01/01/2017 - 01/31/2017	70	67 *11 with sanctions
02/01/2017 - 02/28/2017	62	105
03/01/2017 - 03/31/2017	56	85
04/01/2017 - 04/30/2017	52	66
05/01/2017 - 05/30/2017	57	41 *5 with sanctions

Future Dates –

ARELLO Fall – 2017 – Hawaii – September 2017